

**CASCADE VALLEY HOSPITAL AND CLINICS
POLICY**

RECEIVED

SEP 22 2006

DEPARTMENT OF HEALTH
Center for Health Statistics

NUMBER: 01-3-07		DATE EFFECTIVE: 4/91	
TITLE: Charity Care	APPROVAL SIGNATURE:		
	REVIEW DATE	REVISE DATE	SIGNATURE
DIVISION: CVHC	12/02	12/02	
DEPARTMENT: Corporate	2/03	2/03	
ROUTE TO: Admit, Patient Accounts, CFO, Clinics	4/03	4/03	
	3/04	3/04	
CROSS REFERENCE:	7/04		
	6/06	6/06	

SCOPE This policy applies to all employees whose terms and conditions of employment are administered by Cascade Valley Hospital and Clinics and is effective for dates of service after 2/19/04.

POLICY To provide medically necessary health care to all patients regardless of ability to pay. The district shall grant Charity Care to all eligible hospital patients regardless of race, color, sex, religion, age, or national origin. The staff shall offer assistance to all patients in identifying their eligibility for care under WAC 261-14-020.

DESCRIPTION OF ELIGIBILITY CRITERIA

Charity Care is secondary to all other financial resources available to the patient, including group or individual medical plans, worker's compensation, Medicare, Medicaid or Medical assistance programs, other state, federal, or military programs, third party liability situations, (e.g. auto accidents or personal injuries) or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.

In those situations where appropriate primary payment sources are not available, patients shall be considered for Charity Care under this policy based on the following criteria as calculated by annualizing the patient's current income, plus income for the past 90 days, less any loss of benefits or sources of incomes (e.g., loss of worker's compensation or unemployment benefits).

- A. The full amount of charges will be considered for Charity Care for any patient whose gross family income is at or below 200% of the current federal poverty guidelines.
- B. Catastrophic Charity. The hospital may write off as charity care amounts for patients with family income in excess of 200% of the federal poverty guidelines when circumstances indicate severe financial hardship or personal loss.
- C. Available assets may be used to determine eligibility for Charity Care if the family income is greater than 100% of the federal guidelines. Assets must be easily accessible or available to become accessible. Examples of assets which may be accessed before charity care is received include, but are not limited to: trust funds, cash value life insurance, pension funds, individual retirement accounts, savings accounts, certificates of deposit, retirement accounts, stocks, bonds, and money market accounts.
- D. CVHC will follow a sliding scale in considering income and assets for charity care.

<u>Family Income</u>	<u>Amount of Bill Written Off To Charity Care</u>
0 – 100% of FPG	100%
101 – 133% of FPG	75% based solely on income. Remaining 25% to be paid by patient's/guarantor's assets, if existent If patient/guarantor has no assets, or insufficient assets to cover the debt, CVHC will grant charity care for the remaining billed amount to covered by assets.
134– 165% of FPG	50% based solely on income. Remaining 50% to be paid by patient/guarantor's assets. If patient/guarantor has no assets, or insufficient assets to cover the debt, CVHC will grant charity care for the remaining billed amount to covered by assets.
166 – 200% of FPG	25/75. based solely on income. Remaining percentage to be paid by patient/guarantor's assets. If patient/guarantor has no assets, or insufficient assets to cover the debt, CVHC will grant charity care for the remaining billed amount to covered by assets.
Above 200% of FPG	None

PROCESS FOR ELIGIBILITY DETERMINATION

A. Process for Eligibility Determination:

1. Initial Determination: During the patient registration process, the patient advocate will make an initial determination of eligibility based on verbal or written application for Charity Care. Pending final eligibility determination, we will not initiate collection efforts or requests for deposits, provided that the responsible party is cooperative with our efforts to reach a determination of sponsorship status, including return of applications and documentation within fourteen (14) days of receipt.
2. We shall use an application process for determining initial interest in and qualification for Charity Care. Should patients not choose to apply for Charity Care, they shall not be considered for Charity Care unless other circumstances or intent become known to the district.
3. Requests to provide Charity Care will be accepted from sources such as physician, community or religious groups, social services, financial services personnel, or the patient. If the district becomes aware of factors which might qualify the patient for Charity Care under this policy, it shall advise him or her of this potential and make an initial determination that such account is to be treated as Charity Care.
4. Charity Care forms, instructions, and applications shall be furnished to patients when Charity Care is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or the district, should be accompanied by documentation to verify income amounts indicated on the application form. One or more of the following types of documentation may be acceptable for purposes of verifying income:
 - a. W-2 withholding statements for all employment during the relevant time period.

- b. Pay stubs from all employment during the relevant time period.
- c. An income tax return from the most recently-filed tax year.
- d. Forms approving or denying eligibility for Medicaid and/or state-funded Medical Assistance.
- e. Forms approving or denying unemployment compensation.
- f. Written statements from employers or welfare agencies.
5. Patients will be asked to provide verification of ineligibility for Medicaid or Medical Assistance. During the initial request period, the Hospital may pursue other sources of funding, including Medicaid. Patients are expected to pursue eligibility for Basic Health.
6. Income shall be annualized from the date of application based upon documentation provided and upon verbal information provided by the patient.
7. Final Determinations: Time Frame for Final Determination and Appeals: - the district shall provide final determination within the same month of receipt of all application and documentation material.
8. Denials: Denials will be written and include instructions for appeal or reconsideration as follows:
 - a. The patient /guarantor may appeal the determination of eligibility for Charity Care by providing additional verification of income or family size to the Assistant Administrator - Information within fourteen (14) days of receipt of notification.
 - b. Alternative payment methods will be offered the patient if the denial is affirmed unless the Account has been in a self-pay status in excess of 90 days.
 - c. A final appeal may be made to the CEO by filing within 14 days of denial.
 - d. If the denial is affirmed, the patient/guarantor will be informed in writing and the Department of Health will be notified according to the State Law.
9.
 - a. If the patient has made any payments within the last thirty (30) days, the money will be refunded, if Charity is granted.
 - b. The account will be written off to the Charity Journal.
 - c. Patients having dates of service within 30 days of determination will be automatically determined Charity for that Date of Service.
 - d. The Federal Poverty Guideline reflects updates yearly. See attached for current year's guidelines.
10. Accounts which have been sent to collections for non-payment are not eligible for charity care.

DOCUMENTATION AND RECORDS

- A. Confidentiality of the patient/guarantor application shall be kept at all times. The support information will be kept with the application in the Patient Advocate's office.
- B. All documentation pertaining to the application for Charity Care will be retained for seven years.

NOTIFICATION

The District's Charity Care Policy shall be publicly available through the posting of a sign, and notification in the Admission Consent Form. The Admission Process will initiate the process and the Patient Accounts will encourage patients to apply where the initial information identifies the patient/guarantor of eligibility.

2006 Poverty Guidelines*
Effective 2/09/06

Family Size	100% of FPG	133% of FPG	165% of FPG	200% of FPG
1	\$9,800.00	\$13,034.00	\$16,170.00	\$19,600.00
2	\$13,200.00	\$17,556.00	\$21,780.00	\$26,400.00
3	\$16,600.00	\$22,078.00	\$27,390.00	\$33,200.00
4	\$20,000.00	\$26,600.00	\$33,000.00	\$40,000.00
5	\$23,400.00	\$31,122.00	\$38,610.00	\$46,800.00
6	\$26,800.00	\$35,644.00	\$44,220.00	\$53,600.00
7	\$30,200.00	\$40,166.00	\$49,830.00	\$60,400.00
8	\$33,600.00	\$44,688.00	\$55,440.00	\$67,200.00
	100% Charity	75% Charity	50% Charity	25% Charity

For family units with more than 8 members, add \$3, 400 for each additional member.

***For all states except Alaska, Hawaii.**